

BILL ANALYSIS

Senate Research Center

H.B. 320
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Intergovernmental Relations
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Enrolled

BACKGROUND

A particular resident owning land in the New Caney Municipal Utility District has requested service and paid taxes to the MUD for several years. Due to his geographical location, the MUD charges prohibitive and exorbitant fees to provide service. The board of directors of the MUD has decided that the taxpayer should be excluded from the MUD.

PURPOSE

As enrolled, H.B. 320 excludes a certain plot of land from the New Caney Municipal Utility District.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Defines "district."

SECTION 2. EXCLUSION OF TERRITORY. Sets forth the boundaries of the New Caney Municipal Utility district (district) to exclude a certain plot of land.

SECTION 3. RIGHTS OF BONDHOLDERS. Provides that the exclusion of land under this Act does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other certificates of indebtedness of the district.

SECTION 4. APPORTIONMENT OF DISTRICT INDEBTEDNESS. (a) Provides that the excluded land is not released from the payment of its pro rata share of the district's indebtedness.

(b) Requires the district to continue to levy taxes each year on excluded property at the same rate levied on other property of the district until the taxes collected equal its pro rata share of the district's indebtedness at the time of the exclusion of the land. Requires the taxes collected to be applied exclusively to the payment of the excluded land's pro rata share of the indebtedness.

(c) Authorizes the owner of all or part of the excluded land at any time to pay in full the owner's share of the pro rata share of the indebtedness of the district.

SECTION 5. Emergency clause.
Effective date: upon passage.